

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised and regulated pursuant to the Financial Services and Markets Act 2000.

The Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or transferred all of your Ordinary Shares in Inspectron Holdings Limited, please pass this document and the accompanying blue Form of Proxy to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

INSPECTRON HOLDINGS LIMITED

(Incorporated and registered in England and Wales with registered number 1281003)

Proposed Capital Reorganisation

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 4 to 7 of this document and which includes the Board's unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below. The whole text of this document should be read.

Notice of a General Meeting of the Company to be held at Corsley Conference Centre, Old School, Deep Lane, Corsley, Wiltshire, BA12 7QF on 8th March 2010 as soon as is convenient after the conclusion of the Annual General Meeting (called for 11.00 a.m. on that day) is set out at the end of this document. A blue Form of Proxy for use at the General Meeting is enclosed and, to be valid, should be completed and returned as soon as possible, but in any event so as to be received by the registrars of the Company, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA no later than 11 a.m. on Thursday, 4th March, 2010. For further details see the notes to the Notice of General Meeting set out at the end of this document. The completion and depositing of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting in person.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document	10th February 2010
Latest time and date for receipt by Neville Registrars Limited of Forms of Proxy	11.00 a.m. on 4th March 2010
General Meeting	8th March 2010
Record Date for share capital reorganisation	4th March 2010
Dispatch of definitive share certificates for New Ordinary Shares in certified form	On or about 22nd March 2010

DEFINITIONS

“Articles of Association”	the articles of association of the Company
‘Capital Reorganisation’	means the Consolidation
“Company” or “Inspectron”	Inspectron Holdings Limited
‘Consolidated Shares’	means the shares of £20 each in the capital of the Company in issue following the Consolidation
‘Consolidation’	means the consolidation of every 2,000 issued Ordinary Shares into one Consolidated Share
“Directors” or “Board”	the board of directors of Inspectron whose names appear on page 4 of this document
“General Meeting”	the general meeting of the Company convened for 8 th March 2010 as soon as is convenient after the conclusion of the Annual General Meeting (called for 11.00 a.m. on that day) and any adjournment thereof
“Form of Proxy”	the form of proxy for use at the General Meeting or at any adjournment of such meeting
“Memorandum of Association”	the memorandum of association of the Company
“Notice of General Meeting”	the notice of the General Meeting which is incorporated into this document
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company and “Ordinary Share” means any one of them
‘Record Date’	means Thursday 4 th March 2010
“Resolutions”	the resolutions referred to in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares and “Shareholder” means any one of them

LETTER FROM THE CHAIRMAN

Inspectron Holdings Limited

(Incorporated and registered in England and Wales with registered number 1281003)

Directors

Allan Harle (*Chairman*)
John Harvey (*Managing Director*)
Joanne DiGiacomo (*Finance Director*)
Peter Harris (*Non-executive Director*)

Registered Office

Apex House
West End
Frome
Somerset
BA11 3AS

10th February 2010

To all Shareholders

Dear Shareholder

Proposed Capital Reorganisation

Notice of General Meeting

Introduction

The Board is making a proposal to reorganise the Company's share capital owing to there being a very large number of Shareholders holding a small number of shares resulting in many cases from acquisitions over the years.

The Company has 864 Shareholders, as shown in its Register as at 30th November 2009, 762 of whom individually hold fewer than 2,000 shares each. The Board considers that it is in the interests of the Company and its Shareholders to reorganise the Company's share capital in such a way as to facilitate a cash payment to all holders of fewer than 2,000 Ordinary Shares, subject to a minimum entitlement.

Capital Reorganisation

We are aware that that it may be difficult for our shareholders to sell very small shareholdings and that expenses involved might make selling small shareholdings uneconomic. Maintaining a large register of very small shareholdings is also expensive and not, we consider, in the best interests of the Company and its Shareholders as a whole. The Board has, therefore, sought to make arrangements to give the holders of very small shareholdings cash, subject to a minimum threshold, in consideration for their Ordinary Shares without those Shareholders incurring dealing charges. This document provides details of such a proposal.

The Capital Reorganisation is conditional upon the approval of Shareholders in the General Meeting. Part of the purpose of this document is to provide details of the Capital Reorganisation and to seek approval of the Shareholders.

Consolidation

Resolution number 2 to be proposed at the General Meeting is to consolidate every 2,000 Ordinary Shares into 1 Consolidated Share.

Fractional entitlements to Consolidated Shares

Following the Consolidation, resulting fractions of the Consolidated Shares will be dealt with in the following way:

- a) If a Shareholder holds less than 2,000 Ordinary Shares at the time the proposed consolidation takes effect, the Shareholder will not receive any Consolidated Shares but will be entitled to a fractional entitlement to a Consolidated Share.
- b) If a Shareholder holds more than 2,000 Ordinary Shares at the time the proposed consolidation takes effect, then, unless the shareholding is exactly divisible by 2,000, the Shareholder will be left with a whole number of Consolidated Shares together with a fractional entitlement to a Consolidated Share.

It is proposed that all fractional entitlements to a Consolidated Share will be aggregated with all other such fractional entitlements and sold on behalf of the Shareholders. Fractional entitlements to a Consolidated Share do not carry any voting rights.

Based on the shareholdings shown in the Company's Register of Shareholders as at 30th November 2009 it is estimated that there will be 101 Consolidated Shares (previously 202,904 Ordinary Shares) arising from fractional entitlements.

The Company is aware of existing shareholders who would purchase the Consolidated Shares arising from the fractional entitlements. If you would like to acquire any of these shares would you contact the company's Registrar, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, by recorded delivery, to arrive there no later than Thursday, 4th March 2010, indicating your offer price and the number of shares you wish to purchase. The available shares will be matched to the highest offers until fully allocated. In the event that there are not sufficient shares to match offers with the same price, shares will be allocated on a pro rata basis.

DO NOTE that the shares available will be Consolidated Shares having a nominal value of £20 each (not existing Ordinary Shares of 1p each) and bear that in mind in stating the offer price per share you are prepared to bid.

With some Directors having acquired a number of Shares in the past year it was decided to offer other Shareholders priority in bidding to purchase the shares

available. At the same time those shares are to be sold at the best price reasonably obtainable.

The directors have therefore resolved that:

- 1) on a sale of the fractional entitlements to Consolidated Shares such Shares will first be allocated to the highest bidders**
- 2) but where there is a bid from Shareholders who are not Directors at a price per share which is the same as one received from a Director then Shares will be allocated first to the non-Director Shareholders.**

The proceeds from the sale of the fractional entitlements of Consolidated Shares shall be distributed pro rata amongst the relevant Shareholders, except where the Shareholder's entitlement would be to less than £5.00, in which case no payment will be made. The Directors take the view that it would be uneconomic to make payments of sums below that level.

Before the Record Date if you purchase or sell such number of Ordinary Shares as will result in your holding of Ordinary Shares being exactly divisible by 2,000 you will not be left with any fractional entitlement.

Effect of the Capital Reorganisation

The effect of the Capital Reorganisation is that:

- a) Shareholders holding fewer than 2,000 Ordinary shares on the Record Date will receive a cash payment equivalent per share to the average proceeds of each Consolidated Share divided by 2,000, subject to that cash entitlement amounting to a minimum sum of £5.00. As a result, those receiving payment will have received the best price reasonably obtainable for their holdings without suffering dealing commission.
- b) Shareholders holding more than 2,000 Ordinary shares on the Record Date will receive Consolidated shares to the extent that their holding of Ordinary shares divides exactly by 2,000 and a cash payment in respect of the balance of their holding of Ordinary Shares, calculated on the same basis as for shareholders holding less than 2,000 Ordinary Shares.

Shareholders holding fewer than 2,000 Ordinary Shares will, following the completion of the Capital Reorganisation, no longer have any shares in the Company.

The Directors anticipate that the Capital Reorganisation will reduce the number of Shareholders from the present level, so easing the administrative burden on the Company and reducing the associated costs considerably.

Action to be taken by Shareholders

Enclosed within this document is a blue Form of Proxy. Whether or not you propose to attend the General Meeting in person, you are urged to complete and return the blue Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA by no later than 11.00a.m. on Thursday 4th March 2010. Completion of a Form of Proxy will not preclude you from attending and voting at the General Meeting in person should you wish to do so.

Recommendation

The Directors believe that the Capital Reorganisation and the Resolutions set out in this document and the Notice of General Meeting are in the best interests of the Company and its Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their aggregate holding of 8,587,127 Ordinary Shares representing approximately 72.2 per cent of the total number of issued Ordinary Shares in the capital of the Company.

Yours faithfully

Allan Harle
Chairman

Notice of General Meeting

Inspectron Holdings Limited

(Incorporated and registered in England and Wales with registered number 1281003)

NOTICE IS GIVEN that a general meeting of the Company will be held at Corsley Conference Centre, Old School, Deep Lane, Corsley, Wiltshire, BA12 7QF on 8th March 2010 as soon as is convenient after the conclusion of the Annual General Meeting (called for 11.00 a.m. on that day) for the purpose of considering, and if thought fit passing, the following resolutions:

SPECIAL RESOLUTION

1. THAT the Articles of Association of the Company be amended by

a. Adding the following additional underlined wording:

“1.1 Regulations 2, 3, 33, 35, 41, 46, 64, 66, 76-78, 82, 84-86, 94, 111- 116 and 118 of Table A do not apply to the Company.”

b. Including the following additional wording (of which the wording not underlined is at present incorporated in the Articles of Association as being Regulation 33 of Table A):

“2.4 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those members (save that where the share of such proceeds payable to a member is less than £5 such amount may be retained for the Company’s behalf), and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.”

ORDINARY RESOLUTION

2. THAT every 2,000 shares of 1 pence each in the capital of the Company (“Ordinary Share”) whether issued or unissued be consolidated, converted and re-designated as 1 new Ordinary Share of £20 in the capital of the Company (“Consolidated Share”) provided that, where such Consolidation results in any shareholder being entitled to a fraction of a Consolidated Share, such fraction shall be dealt with by the Directors of the Company as they see fit pursuant to their powers under Article 2.4 of the Company’s Articles of Association

BY ORDER OF THE BOARD
John Edwin Clare
Secretary

Registered Office
Apex House
West End
Frome
Somerset BA11 3AS

Date: 10th February 2010

Notes:

Appointment of proxies

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to the Company at Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
- received by the Company no later than 11 a.m. on Thursday 4th March 2010.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

7. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

- Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company using the following method:

- By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands

B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by the Company no later than 11.00 a.m. on Thursday 4th March 2010.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Communication

9. Except as provided above, members who have general queries about the Meeting should write to the Company Secretary at the Company's registered office which is Apex House, West End, Frome, Somerset, BA11 3AS (no other methods of communication will be accepted).

You may not use any electronic address provided either:

- in this notice of general meeting; or
- any related documents (including the proxy form),

to communicate with the Company for any purposes other than those expressly stated.